

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
KIRKSVILLE WATER ASSOCIATION, INC.) CASE NO. 91-153

O R D E R

On May 20, 1991, Kirksville Water Association, Inc. ("Kirksville") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068. On May 31, 1991, after consultation with Commission Staff, Kirksville filed a corrected tariff with a new effective date. The record is now complete.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds that:

1. Kirksville purchases water from the city of Richmond ("Richmond"). Prior to this case, Richmond billed Kirksville on a five step declining block rate schedule based on units measured in cubic feet. Richmond has changed the rate structure it charges to its wholesale customers to a flat fee based on units measured in 100 cubic feet.

2. Effective with the billing payable July 15, 1991, Richmond increased its rates to Kirksville from approximately \$.95 to \$1.30 per 100 cubic feet. The average monthly bill will increase from \$22.56 to \$25.12 which is an increase of 11.35 percent.

3. Kirksville proposes to increase the rates to its customers, effective May 10, 1991.

4. During the 12 months ending April 1, 1991, Kirksville purchased 57,112,792 gallons of water and sold 50,229,156 gallons.

5. Kirksville's calculations are correct and show that the increase in purchased water costs is \$26,898, resulting in a purchased water adjustment of 54 cents per 1,000 gallons.

6. The purchased water adjustment of 54 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. The tariff sheet filed by Kirksville May 31, 1991 is correct and should be approved as filed.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 54 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after May 10, 1991.

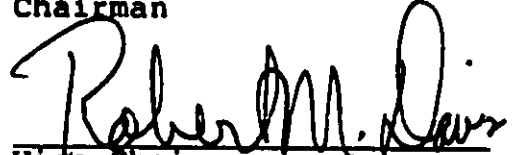
2. The tariff sheet filed by Kirksville May 31, 1991 is approved as filed.

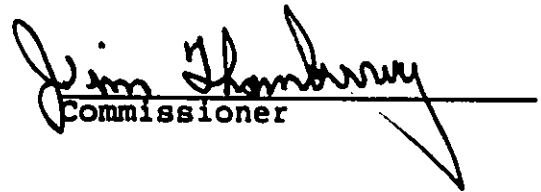
3. Within 20 days of the date of this Order, Kirksville shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 19th day of June, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-153 DATED 6/19/91

The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Usage Blocks

First 2,000 gallons
Next 3,000 gallons
Next 5,000 gallons
Over 10,000 gallons

Monthly Rates

\$10.88 Minimum Bill
5.19 per 1,000 gallons
4.14 per 1,000 gallons
3.14 per 1,000 gallons